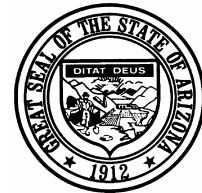


ARIZONA

TAXNEWS



Janet Napolitano, Governor

J. Elliott Hibbs, Director

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ARIZONA DEPARTMENT OF REVENUE MISSION STATEMENT

The purpose of the Arizona Department of Revenue is to promote voluntary compliance with all tax obligations through fair administration, firm enforcement, and prompt and courteous service in a manner that justifies the highest degree of public confidence in our efficiency and integrity.

WE'RE ON THE WEB!

The Arizona TaxNews can be viewed on our Internet website:

www.revenue.state.az.us

NEW WITHHOLDING FORMS—A1-QRT & A1-WP

Starting with the First Quarter 2004, the department will start using the new A1-QRT, Arizona Quarterly Withholding Tax Return. Although there is very little difference in content, the locations of some of the entries have been moved. The A1-QRT(EZ) has been discontinued. All filers, including those filing amended returns, will use the new A1-QRT.

There is also a new A1-WP, Payment of Arizona Income Tax Withheld. The major change to this form is that the EIN has been moved to the top of the form and will be the primary reporting number for withholding payments. A staffer that explains the changes to the forms was included with the forms mailing in March. Please begin using the new forms immediately.

ARIZONA E-FILE REMINDERS & TIPS

As the April filing deadline approaches, we would like to offer some last minute tips and reminders to help Electronic Return Originators and their clients.

- Encourage clients to use direct debit to pay the tax due with their returns. It's a time saver and it is great for the last minute payment.
- Remind clients that the 140V - Payment Voucher for Electronic Filing must accompany the tax payment when the direct debit option is not used. Including the 140V will reduce the potential for misapplication of payments. Also, remind the client that the tax due must be paid in full by April 15th to avoid penalty and interest. Address 140V and payment to:

Arizona Department of Revenue
PO Box 29237
Phoenix AZ 85038-9237

- The Form 204, Application for Filing Extension, is not accepted electronically. Instead, the department will accept a valid federal extension on e-filed Arizona returns. When preparing the state

return using a federal extension, be sure the extension field is checked on the Arizona return. This will avoid problems during the processing cycle and correspondence from the department.

- To remit the Arizona extension with a payment, mail the payment with the Form 204 to:

Arizona Department of Revenue
PO Box 52016
Phoenix AZ 85072-2016.

- To request an extension of time to file the Arizona return, mail the Form 204 to:

Arizona Department of Revenue
PO Box 52138
Phoenix AZ 85072-2138.

- "State-Only" returns cannot be signed electronically with a self-select PIN or preparer PIN. Contact the software technical support group for instructions if you need assistance to delete the e-signature indicator.
- Typically, the state acknowledgement is available within 24 hours of the

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***** REMINDER *****

FOR NON-EFT TPT FILERS

**To avoid a delinquency, postmark your
March 2004 TPT return no later than
April 26, 2004 or deliver to DOR no later
than April 29, 2004.**

The Tax Facts—Summary of General Fund
Revenues & Individual Income Tax Receipts—
are available on the department's website,
www.revenue.state.az.us

E-Mail Your Questions

If you have a question that you cannot find the
answer to, our Technical Assistance personnel may
prove useful to you. We will gladly respond to any
e-mail technical tax inquiry. All inquiries will be
responded to within two working days.

E-mail your question to:

TaxpayerAssistance@revenue.state.az.us

In the interest of maintaining confidentiality, DOR
cannot respond to inquiries that include a Social
Security number, FEIN, TPT or W/H number, or
other specific taxpayer identifiers.

**Department of Revenue Telephone
Numbers & Web addresses**

Individual & Corporate Income Tax:

(602) 255-3381

Toll-free

from area codes 520 and 928: (800) 352-4090

**Transaction Privilege Use, Withholding Tax,
Licensing:**

(602) 255-2060

Toll-free

from area codes 520 and 928: (800) 843-7196

Hearing Impaired TDD User:

(602) 542-4021

Toll-free

from area codes 520 and 928: (800) 397-0256

To order forms by phone: (602) 542-4260

Forms by fax: (602) 542-3756

**Forms and instructions are also available on
our website at:** www.revenue.state.az.us

**Businesses can now register, file and pay
online at:** www.AzTaxes.gov

TAX CALENDAR

APRIL 2004

Due Date		For Period Ending
15	Income Tax Returns: Form 120: Corporation Form 140: Individual Form 141: Fiduciary Form 165: Partnership	12/31/03
15	Form 120: Corporation with Automatic Extension	6/30/03
15	Form 120S: S Corporation	1/31/04
15	Form 99: Exempt Organization Annual Information Return	11/30/03
15	Form 120ES: Estimated Tax Payment, Corporation	
	First Installment	12/31/04
	Second Installment	10/31/04
	Third Installment	7/31/04
	Fourth Installment	4/30/04
15	Transmitting timely e-filed income tax returns	12/31/03
15	Transmitting timely e-filed Forms 4868	12/31/03
20	Retransmitting rejected timely e-filed income tax returns	12/31/03
20	Retransmitting rejected timely e-filed Forms 4868	12/31/03
20	Form TPT-1: Transaction Privilege Tax: March Monthly Filers and Quarterly Filers	3/31/04
20	Bingo: Financial Reports	3/31/04
20	Luxury Tax: Various Forms	3/31/04
26	EFT Form TPT-1 and Payment: Transaction Privilege Tax: March Monthly Filers	3/31/04
30	1st Quarter Withholding Forms	3/31/04

Withholding Tax Payment Information:

If the average amount of Arizona income taxes withheld in the
preceding four calendar quarters **exceeds** \$1,500 the employer must
make its Arizona withholding payments to the Department of
Revenue at the same time as the employer is required to make
federal withholding deposits.

If the average amount of Arizona income taxes withheld in the
preceding four calendar quarters **does not exceed** \$1,500 the
employer must make its Arizona withholding payments to the
department on a quarterly basis.

The *Arizona TaxNews* is a publication of the Arizona Department
of Revenue. Information contained herein is of a general nature
and is not designed to address complex issues in detail.
Taxpayers requiring information concerning a specific tax matter
should contact the appropriate office. This newsletter is available
in an alternative format upon request. Subscription information
may be obtained from the Publications Unit at 602-716-6797 or
toll free from area codes 520 & 928, 1-877-863-0655.

CHANGE IN TOWN TAX CODE—TOWN OF ORO VALLEY

EFFECTIVE MAY 1, 2004

Effective May 1, 2004: On February 18, 2004 the Mayor and Town Council of the Town of Oro Valley passed ordinance number (O) 04-08. Ordinance (O) 04-08 increases the Oro Valley Town Privilege Tax on Construction Contracting Section 415, 416 and 417 from **2% to 4%**. The tax on Construction Contracting shall be reported using **OR004**.

This increase imposed by ordinance (O) 04-08 shall not apply to construction contracts entered into prior to the effective date of the ordinance. Pre-existing contracts should be reported using **OR008** at a rate of **2%**.

REGISTER TO USE AZTAXES.GOV

The Department of Revenue invites all of our Transaction Privilege Tax filers to consider E-filing the TPT-1 on our new website: www.AzTaxes.gov. All you have to do is register to use the site and send in your signature document. DOR will send you

your PIN and password to the E-mail address on the signature document and you will be ready to file electronically. Please go to www.AzTaxes.gov for all the details.

Last Minute E-File Reminders & Tips

(Continued from page 1)

federal acknowledgement. However, due to the volume of returns received at the close of the tax season, acknowledgements may be delayed. If an acknowledgement is not received within 5 days, it is an indication of a potentially failed transmission. Please call the Office of Electronic Filing at 602-716-6513 or 602-716-6514 should you experience any problems with acknowledgment or if you have any questions regarding rejected returns.

- If assistance is needed regarding a client's refund, billing or and payment, please call the Tax Practitioner Hotline 602 542-2132.

- Direct your client to the Taxpayer Information and Assistance (TIA) Section at 602-255-3381 for the Phoenix Metro Area or 800-352-4090 elsewhere in Arizona for questions regarding their return, refund, or payment. Extended telephone service is available beginning Monday, April 12 – Thursday, April 15 until 8PM MST.
- April 15th does not signal the end of the electronic filing season. See the Arizona E-file Calendar on the back page for last date and condition in which an electronic return can be accepted by the department.

LUXURY TAX RULINGS ISSUED

The Department recently issued two Luxury Tax Rulings. The rulings can be found on the Department's website— www.revenue.state.az.us

LTR 04-1 Refunding and Redemption Issues Concerning Loss or Theft of, Damage to, and Erroneous Usage of Revenue Stamps Held by Cigarette Distributors

LTR 04-2 Imposition of Arizona Luxury Privilege Tax on Molasses Tobacco

E-FILE, IRS.GOV HELP AVOID PROBLEMS AT TAX TIME

IR-2004-37, March 17, 2004

WASHINGTON - With nearly half of this year's tax returns filed, the Internal Revenue Service has already seen the number of electronically filed tax returns pass the 40 million mark. The number of e-filed returns is nearly 11 percent ahead of last year's pace, according to new statistics released today.

"More and more taxpayers are discovering e-filing is the fastest, easiest way to do their taxes," said IRS Commissioner Mark W. Everson. "E-filers get their refunds in half the time of people filing a paper return."

Through March 12, 40.2 million returns were e-filed. Of those, more than 9.2 million were self-prepared on a home computer, which reflects a 23 percent increase.

E-filing and electronic services offered on IRS.gov are seeing big increases this year. The IRS encourages taxpayers to use these services and follow other simple steps to help make tax time easier:

File Returns Electronically. IRS e-file is the fastest and most accurate way to file a tax return. If a taxpayer is due a refund, the waiting time for e-filers is half that of paper filers. Some taxpayers may qualify for the Free File service accessed through IRS.gov.

Visit the IRS Online. The IRS Web site, IRS.gov, had more than 4.5 billion hits in 2003. Anyone with Internet access can download tax forms, instructions and publications as well as tax law information and answers to frequently-asked tax questions. 1040 Central, a special section of IRS.gov, offers information specifically tailored to individual filers.

Use Where's My Refund? If a taxpayer wants to know whether his or her refund has been processed or when the refund will be mailed or directly deposited, "Where's My Refund?" has the answers. So far this filing season, taxpayers have used this free service 13.2 million times. That's up 5 million from last year. "Where's My Refund?" is available on IRS.gov.

Check the Child Tax Credit. Taxpayers who claim the Child Tax Credit this year must remember to reduce it by the amount of the advance Child Tax Credit payment received in 2003. Through March 15, taxpayers have made 8.1 million visits to IRS.gov to double-check the advance payment amounts they received last year.

Have Refunds Deposited Directly. Another way to speed up a refund and reduce the chance of theft is to choose direct deposit. Taxpayers should check the tax instructions for details on entering the routing and account numbers on their tax returns and make sure the numbers are correct. Wrong numbers can cause refunds to be misdirected or delayed. Direct deposits are up more than 10 percent so far this year.

Organize Tax Records. Tax preparation time can be significantly reduced for taxpayers who develop a system for organizing their records and receipts. Start with the income, deduction or tax credit items that were on last year's return.

Take Advantage of Free Assistance. The IRS offers recorded messages on about 150 tax topics through its toll-free TeleTax service at 1-800-829-4477. It also offers federal tax forms and publications at 1-800-TAX-FORM (1-800-829-3676). Some libraries, post offices, banks, grocery stores, copy centers and office supply stores carry the most widely requested forms and instructions. Libraries may also have reference sets of IRS publications.

Double-Check Math and Data Entries. Taxpayers must review returns for possible math errors and make sure they have provided the names and correct (and legibly written) Social Security or other identification numbers for themselves, their spouses and their dependents.

Don't Procrastinate. Taxpayers should resist the temptation to put off doing taxes until the last minute. Hurrying to meet the filing deadline may cause a taxpayer to overlook potential tax savings and will likely increase the risk of error.

APRIL WORKSHOP SCHEDULE

You may register online at www.revenue.state.az.us
To find out which workshops qualify for CPE or for more information, please call 602-716-7810 or email Community Outreach & Education at seminars@revenue.state.az.us
All workshops cost \$15 per person unless otherwise stated.

Filling in the Blanks... A Guide to Arizona Withholding

A hands-on guide to filling in the Arizona Withholding forms, including some work examples. This workshop covers the forms, filing frequency, due dates, payment frequency and more. Be sure to bring your calculator and pencil!!

Mesa – April 28, 1:30 – 5 pm,
Country Inn, 6650 E Superstition Springs Blvd.
Flagstaff – April 22, 8:30 – 11 am,
Little America, 2515 E Butler Ave.
Page – April 6, 6 – 9 pm,
Page Public Library, 479 S Lake Powell Blvd.
Phoenix – April 16, 8:30 am - noon,
Industrial Commission, 800 W Washington
Phoenix – April 28, 1:30 – 5 pm,
Dept. of Revenue, 2902 W Agua Fria Fwy, Ste. 1020
Tucson – April 8, 1:30 – 5 pm,
Arizona Gov't Complex, 400 W Congress, Rm. 5

Retail Workshops

This workshop is designed to help you understand the Retail Classification under the Transaction Privilege Tax that is imposed in our state.

Chandler— April 7, 8:30 am – noon,
Department of Revenue, 3191 N Washington
Flagstaff—April 20, 1:30—5 pm,
Little America, 2515 E Butler
Glendale—April 20, 8:30 am—noon,
Quality Inn, 5511 W Bell Rd.
Mesa—April 27, 8:30 am—noon,
Country Inn, 6650 E Superstition Springs Blvd.
Page—April 7, 1—4:30 pm,
Quality Inn, 479 N Lake Powell Blvd.
Peoria—April 27, 6—9 pm,
Peoria Library, 8401 W Monroe
Phoenix—April 6, 8:30 am—noon, Arizona Small Business Association, 4130 E Van Buren, Ste. 150
Phoenix—April 27, 8:30 am—noon,
Dept. of Revenue, 2902 W Agua Fria Fwy., Ste. 1020
Tucson—April 7, 8:30 am—noon,
Arizona Gov't Complex, 400 W Congress, Rm. 5

Construction Industry Workshops

This workshop is designed to assist those in the construction industry understand the transaction privilege tax requirements.

Chandler—April 8, 8:30 am—noon,
Department of Revenue, 3191 N Washington
Flagstaff—April 21, 8:30 am—noon,
Little America, 2515 E Butler

Glendale—April 6, FREE, 6—9 pm, Glendale Library, 5959 W Brown (Sponsored by Glendale Library)

Glendale—April 21, 8:30 am—noon,
Quality Inn, 5511 W Bell Rd.

Mesa—April 27, 1:30—5 pm,
Country Inn, 6650 E Superstition Springs Blvd.

Page—April 8, 1—4:30 pm,
Quality Inn, 479 N Lake Powell Blvd.

Phoenix—April 27, 1:30—5 pm,
Dept. of Revenue, 2902 W Agua Fria Fwy., Ste. 1020

Tucson—April 7, 1:30—5 pm,
Arizona Gov't Complex, 400 W Congress, Rm. 5

TPT Forms—How to Report Correctly

Anyone who has been in business for at least one month may want to learn how to complete the TPT-1. From calculating the tax liability to how to put the numbers on the form, you will walk away more confident and relaxed about completing your own TPT-1 return. Topics covered:

- ☞ How to calculate the tax when it is in addition to the price of the product
- ☞ How to calculate (factor) the tax when it is included as part of the sale price
- ☞ How important the *Arizona State, County, and City Transaction Privilege and Other Tax Rate Table* is to you

Classes labeled (for contracting) & (for retail) address only those classifications. All others address all classifications.

Chandler—April 7 (for retail), 1:30—5 pm,
Department of Revenue, 3191 N Washington
Chandler—April 8 (for contracting), 1:30—5 pm,
Department of Revenue, 3191 N Washington

Flagstaff—April 21, 1:30—5 pm,
Little America, 2515 E Butler

Glendale—April 20 (for retail), 1:30—5 pm,
Quality Inn, 5511 W Bell Rd.

Glendale—April 21 (for contracting), 1:30—5 pm,
Quality Inn, 5511 W Bell Rd.

Mesa—April 28, 8:30 am—noon,
Country Inn, 6650 E Superstition Springs Blvd.

Page—April 7 (for retail), 6—9 pm,
Quality Inn, 479 N Lake Powell Blvd.

Page—April 8 (for contracting), 6—9 pm,
Quality Inn, 479 N Lake Powell Blvd.

Phoenix—April 19 (for contracting), 8:30 am—noon,
Industrial Commission, 800 W Washington

Phoenix—April 19 (for retail), 1:30—5 pm,
Industrial Commission, 800 W Washington

Phoenix—April 26 (for retail), 8:30 am—noon,
Industrial Commission, 800 W Washington

Phoenix—April 26 (for contracting), 1:30—5 pm,
Industrial Commission, 800 W Washington

Phoenix—April 28, 8:30 am—noon,
Dept. of Revenue, 2902 W Agua Fria Fwy., Ste. 1020

Tucson—April 8, 8:30 am—noon, Arizona Gov't Complex, 400 W Congress, Rm. 5



ARIZONA E-FILE CALENDAR

For Tax Period January 1 – December 31, 2003

Last date for...

Transmitting timely filed returns.....	April 15, 2004
Transmitting timely filed Forms 4868	April 15, 2004
Retransmitting rejected timely filed returns	April 20, 2004
Retransmitting rejected timely filed Forms 4868.....	April 20, 2004
Transmitting timely filed Forms 4868 or 2350 to meet overseas exception	June 16, 2004
Retransmitting rejected timely filed Forms 4868 or 2350 to meet overseas exception	June 21, 2004
Transmitting returns on extension from Forms 4868	August 16, 2004
Transmitting timely filed Forms 2688	August 16, 2004
Retransmitting rejected returns on extension from Forms 4868	August 20, 2004
Retransmitting rejected timely filed Forms 2688	August 20, 2004
Transmitting late returns or returns on extension from Forms 2688.....	October 15, 2004
Retransmitting rejected late returns or returns on extension from Forms 2688	October 20, 2004